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No. 86-1237

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In The
Supreme Court of the United States
October Term, 1986

BAY AREA RAPID TRANSIT SYSTEM,
Petitioner,

vs.

PAPERLESS ACCOUNTING, INC.,
Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

RESPONDENT'S BRIEF IN OPPOSITION

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12 pp

Rule 28.1 Statement

Respondent Paperless Accounting, Inc. is a California corporation which has no parent company, subsidiaries or affiliates within the meaning of Supreme Court Rule 28.1.

TABLE OF CONTENTS

	Pages
RULE 28.1 STATEMENT	i
TABLE OF CONTENTS	ii
TABLE OF AUTHORITIES	iii
STATEMENT OF THE CASE	1
REASONS FOR DENYING THE WRIT	2
SUMMARY OF ARGUMENT	2
I. PETITIONER IGNORES THE SOLE BASIS FOR THE DECISIONS BELOW	2
A. No Such Admissions Of Insufficient Disclosure Were Found By the Courts Below	3
B. No Conflict Exists Between The Decision Of The Federal Circuit And Earlier Authorities	6
II. PETITIONER SEEKS AN ADVISORY OPINION ON AN ISSUE THAT IS NOT YET RIPE	6
CONCLUSION	7

TABLE OF AUTHORITIES

No additional authorities are cited herein. Respondent relies upon those authorities included in the decision of the Court of Appeals for the Federal Circuit, reproduced at pages 3a through 12a of the Appendix in Petitioner's Brief.

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STATEMENT OF THE CASE

Petitioner's statement of the case, at pages 1 through 7 of its Petition, is replete with mischaracterizations of the prosecution history of the '300 patent in suit, and contains many misleading arguments and conclusions therein. As a more appropriate and accurate synopsis of the prosecution history, Respondent adopts the "Background" contained in the opinion of the Federal Circuit, stated herein as "facts [which] are not in dispute." [See: Petitioner's Appendix 3a through 7a.]

REASONS FOR DENYING THE WRIT

Summary of Argument

A writ of certiorari should be denied in this case because it presents no issues important enough to warrant the Court's review. The decision of the district court was based solely upon an erroneous understanding of the prosecution history of the '300 patent in suit, as clearly explained by the Court of Appeals for the Federal Circuit. Petitioner's arguments herein are based upon factual findings that were never made by the district court and which formed no basis for the decisions of either court below. Petitioner herein also seeks an advisory opinion from this Court on issues that are not yet ripe.

I. Petitioner Ignores The Sole Basis For The Decisions Below.

Question 1, presented by the Petition, is never reached and is not properly before this Court because the district court did not base its decision on the alleged admissions relied on by Petitioner in its arguments herein." As stated by the Court of Appeals for the Federal Circuit:

> "The district court held that Halpern admitted that the '196 parent application's disclosure was insufficient because he filed the '529 c-i-p application and abandoned the '196 parent without appeal. The district court, according to its opinion, *based its decision solely on this conclusion of acquiesence.*" (emphasis added) (Petitioner's Appendix 7a)

In reversing the district court's grant of summary judgment as "based on an erroneous understanding of the prosecution history" since "there was no rejection for insufficient disclosure at the time the '529 c-i-p was filed and

the '196 parent was abandoned", the Federal Circuit correctly explained the prosecution history as follows:

> "The examiner's rejection of the '196 parent for insufficient disclosure was not 'repeated or referred to' in the third or subsequent Office actions. *The MPEP is not permissive in this requirement.* . . . The '196 disclosure as it then stood, in accordance with MPEP § 707.07(e), was no longer rejected as insufficient." (emphasis added) (Petitioner's Appendix 8a)

Holding that the district court was in error, in relying upon Halpern's "fail[ure] to prosecute his appeal" as an admission that the '196 parent application's disclosure was insufficient, the Federal Circuit correctly stated that "the insufficiency of disclosure could not have been raised in such appeal. It was not at issue, because that ground of rejection had not been continued by the examiner." (Petitioner's Appendix 8a)

A. No Such Admissions Of Insufficient Disclosure Were Found By The Courts Below.

Petitioner attempts to avoid the clear requirements of MPEP § 707.07(e), and the correct interpretation of its effect on the case at bar by the Federal Circuit, by arguing that certain admissions were allegedly made during the prosecution that somehow made inapplicable the clear requirements of the MPEP. The Federal Circuit had the prosecution history before it, as did the district court, and neither found any such admissions.

Petitioner argues, at page 4 of its Petition, that the patentee "unequivocably *admitted* the propriety of the Examiner's determination of insufficient disclosure" in his letter of March 14, 1960. A careful reading of this letter (Petitioner's Appendix 13a), in context, discloses *no* admis-

sion that there was anything defective about the disclosure of the parent application as originally filed in 1957. Rather, Halpern (the applicant in the original '196 parent application and the patentee herein) was referring only to the Amendment which he had filed on September 24, 1958 (in response to the Examiner's suggestion that reference could be made to "existing publications and patents which show known circuits" [See: Petitioner's Appendix 4a]), stating that the *Amendment* "did not clearly show that the additional information [contained therein] is not new but gives only technical substance to the original information [contained in the specification as originally filed]", and cancelling *from the Amendment* any new matter contained therein.

As correctly stated by the Court of Appeals for the Federal Circuit in its opinion herein:

> "A patent applicant need not include in the specification that which is already known to and available to the public. (citations omitted) Thus, in examining the '196 parent, the examiner had invited [the patentee] to refer to published circuits and commercially available items that performed the function of [the patentee's] boxes. Such added subject matter, to the extent that it is not "new matter," does not deprive the applicant of the original filing date. (citations omitted)" (Petitioner's Appendix 11a)

Petitioner's mischaracterization of the April 14, 1960 letter is misleading with respect to the import and meaning of the patentee's statements contained therein, and totally ignores the fact that *neither* of the courts below found this

letter to constitute any sort of admission regarding the alleged insufficiency of the original disclosure.[1]

Similarly, Petitioner mischaracterizes the alleged "admission by patentee's attorneys" contained in their request for extension of time dated April 12, 1963. (Petition, at p. 6) As explained by the Court of Appeals for the Federal Circuit, the patent examiner had previously *withdrawn* his rejection for insuffiency of disclosure in his third office action dated August 25, 1961 and had also required an election between the three inventions disclosed in the application. (Petitioner's Appendix 5a, 8a) In response, Halpern elected the claims to the ticket (Petitioner's Appendix 6a) and when the examiner rejected those claims, Halpern's attorney rewrote the claims to the ticket and then took an appeal from their rejection. (Petitioner's Appendix 6a) Thus, at the time that the patentee's attorneys requested an extension of time to file an appeal brief, the case had been restricted to the '196 parent claims *on the ticket* (the rejections of which were being appealed), and the statements alleged to be "admissions" had absolutely no bearing whatsoever on the *machine* claims of the '300 patent in suit.

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[1] While the Petitioner states, at page 4 of its Petition, footnote 4, that "[t]he letter . . . was not referenced in the opinion of the Federal Circuit", thereby impiying that it was somehow overlooked or ignored by the Federal Circuit even though it had been "reviewed and considered by the district court", *that statement is false.* The letter *was* specifically *discussed* by the Federal Circuit, albeit referenced as having been filed on March 7, 1960 (as reflected by the date stamp thereon by the mailroom at the U.S. Patent Office), a fact of which Petitioner is undoubtedly aware. (See: Petitioner's Appendix 5a)

B. No Conflict Exists Between The Decision Of The Federal Circuit And Earlier Authorities.

While Petitioner argues the alleged conflict between the decision of the Federal Circuit and various earlier authorities, a careful reading of the decision herein clearly establishes that no such conflict exists. (Petitioner's Appendix 7a to 10a) In the course of its well-reasoned "Analysis", the Federal Circuit properly cited the authorities which support its decision and explained why the cases upon which the district court relied should be distinguished. (*Id.*) Respondent adopts and incorporates herein the "Analysis" of the Federal Circuit as a correct discussion of the applicable authorities.

II. Petitioner Seeks An Advisory Opinion On An Issue That Is Not Yet Ripe.

Contrary to Petitioner's arguments under Question "2" herein, the decision of the Federal Circuit, in reversing the grant of summary judgment by the district court below, did not in any way turn upon its differentiation (or lack thereof) between the disclosure requirements under 35 U.S.C. section 112 and those under 35 U.S.C. sections 102(b) and (d). While the Federal Circuit noted that support for claims as required by section 112 is a question of law, it also recognized that the issue is dependent upon underlying factual and legal findings which had not been made by the district court and, thus, expressly *declined* to decide the issue "ab initio". (Petitioner's Appendix 10a) Thus, the second question presented by Petitioner, as Question "2" on page 6 of its Petition herein, is not of sufficient importance to justify review by this Court, especially since it seeks an advisory opinion from this Court on an issue that is not yet ripe.

Should this Court elect to review the issue raised in Question 2, it is noted that the discussion of the Court of Appeals for the Federal Circuit, at Petitioner's Appendix 10a to 12a, is clearly correct and Respondent stands on that discussion.

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CONCLUSION

The Petition for a Writ of Certiorari should be denied. The petition raises no issue of the type described in Supreme Court Rule 17 as worthy of consideration by this Court and no special and important reason to take this Court's time.

DATE: February 25, 1987.

Respectfully submitted,

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